

# The Health Care Law and You



HealthCare



Hello, my name is XXX. And I'm glad to be with you today to talk about the health care law, the Affordable Care Act – and what it means for you, your family, and your community.

## The Problem

- Insurance companies could take advantage of you and discriminate against the 129 million Americans with pre-existing conditions.
- Premiums had more than doubled over the last decade, while insurance company profits were soaring.
- Fifty million Americans were uninsured, tens of millions more were underinsured, and those that had coverage were often afraid of losing it.



The first question most people have is: why did we need the health care law? The answer is that we had a health insurance market that worked very well for big insurance companies, but not so well for American families.

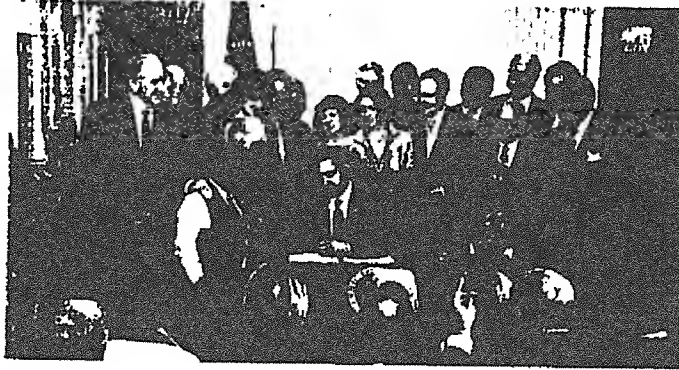
Insurers could pick and choose who they gave coverage to. And premiums were skyrocketing even as insurers made record profits. That made it hard for families to get the security that health insurance provides.

In total, fifty million Americans were uninsured and tens of millions more had coverage that didn't cover critical treatments and preventive care. And many of us who had insurance didn't understand the basics of our plan and were afraid we could lose it if our employer dropped coverage or we switched jobs or retired.

This left many Americans feeling like their health care choices were out of their hands.

## The Health Care Law

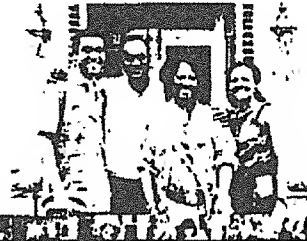
In March 2010, President Obama signed into law the Affordable Care Act.



That's why Congress passed and the President signed the Affordable Care Act.

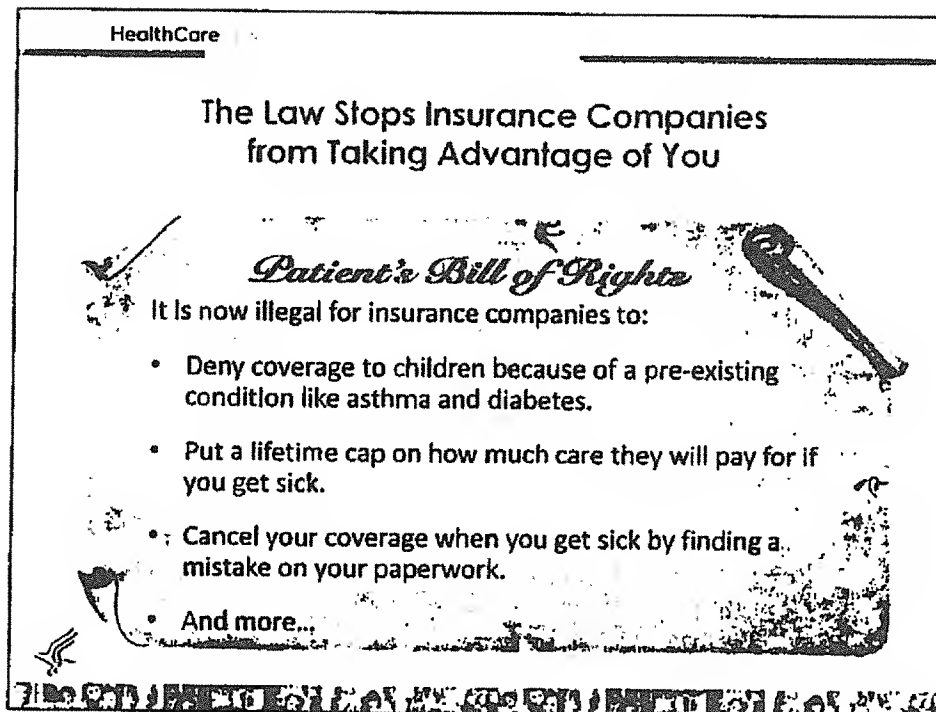
## What the Law Means for You: 4 Things to Know

- Protection from the worst insurance company abuses
- Makes health care more affordable
- Better access to care
- Stronger Medicare



The health care law builds on what works in our health care system. And it fixes what's broken by making improvements in four key areas. It protects you from the worst insurance company abuses. It makes health care more affordable. It gives you better access to care. And it strengthens Medicare.

Today, I'll talk a little more about each of these areas.



In the past, insurance companies could take advantage of you. They could deny coverage to children who had asthma or were born with a heart defect. These are the young people who need health insurance the most, and insurers were free to turn them away.

They could also put a lifetime cap on the amount of care they would pay for. So if you developed a serious condition like cancer or a rare blood disease, or you were injured in a car crash, your insurance could disappear when you needed it most.

And worst of all, they could cancel your coverage when you got sick just by finding an accidental mistake in your paperwork. Some insurance companies even used computer programs designed to search the records of people with breast cancer or HIV looking for these errors.

The first main way the law helps you is by creating a new Patient's Bill of Rights that protects you from these and other abusive practices.

**[FOR THE SPEAKER'S REFERENCE:**

*Consumer protections apply to all Americans in new plans. Other consumer protections in the law include:*

- Annual limits to coverage are being phased out and will be banned in 2014.*
- You have access to an independent appeals process if you are in a dispute with your insurance company.*
- Insurers can't charge an extra co-pay if you go to an out of network emergency room.*
- You can choose your own primary care physician in your insurers network, and you can see a pediatrician or an OB-GYN without a referral.]*

These abuses used to be legal:

**"Newborn Denied Health Insurance Coverage  
Days After Life Saving Heart Surgery"**

-- *ABC News*

**"Low Health Insurance Caps  
Leave Patients Stranded"**

-- *USA Today*

**"WellPoint Routinely Targets Breast Cancer Victims for  
Rescission"**

-- *The Huffington Post*

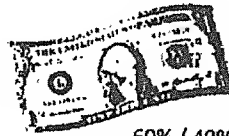
**Now they are banned for good.**



Now, you'll never have to worry about these abuses happening to you or your family ever again.

## The Law Makes Health Care More Affordable

**BEFORE**, insurance companies spent as much as 40 cents of every premium dollar on overhead, marketing, and CEO salaries.



60% / 40%

**TODAY**, we have the new 80/20 rule: insurance companies must spend at least 80 cents of your premium dollar on your health care or improvements to care.



80% / 20%

If they don't, they must repay the money.



The second way the law helps you is by bringing down health care costs and making sure your health care dollars are spent wisely. Today, some private insurance companies spend almost half your premium on overhead like marketing and CEO salaries, leaving only 60 cents of every premium dollar to spend on care.

The health care law ensures that you get a fair value for your premium by creating the new 80/20 rule: insurers must now spend at least 80 percent of your premium on health care services or improving care or they must repay the money.

## The Law Makes Health Care More Affordable

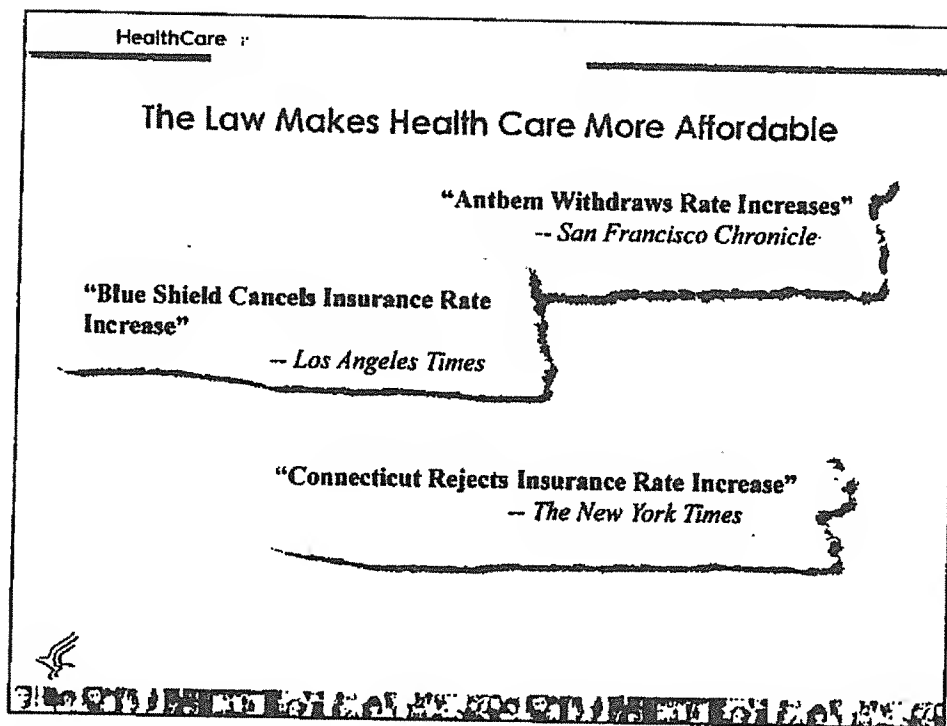
**BEFORE**, insurance companies could raise your premiums by double digits without justification.

**TODAY**, insurance companies must publicly justify their actions if they want to raise premiums by 10 percent or more. And states have more power to block them.



We also know that over the last decade, premiums have grown three times faster than wages. That's why the health care law has new rules that require insurance companies - for the first time ever - to publicly justify any rate increase of 10 percent or more. And it gives states new resources to review and block these premium hikes. The days of insurance companies hiking your rates under the cover of darkness are over.





And we're already seeing these rules pay off across the country.

**[FOR THE SPEAKER'S REFERENCE:**

*Additional rate review success stories include:*

- *Connecticut's Insurance Department rejected a proposed 20% rate hike by one of the state's major insurers.*
- *In August 2010, a major insurer in Massachusetts agreed to a significant reduction of proposed increases – less than 13% instead of the nearly 23% they initially requested.*
- *In 2010, Oregon disapproved health insurance premium requests of 10%, 18%, and 20% in the individual market.*
- *Rhode Island's Insurance Commissioner used his rate review authority to reduce a proposed rate increase by a major insurer in that state from 7.9% to 1.9%.*
- *Nearly 30,000 North Dakotans saw a proposed increase of 23.7% cut to 14% following a public outcry.*
- *In 2010, Californians were saved from rate increases totaling as high as 87% after a California insurer withdrew its proposed increase after scrutiny by the State Insurance Commissioner.]*

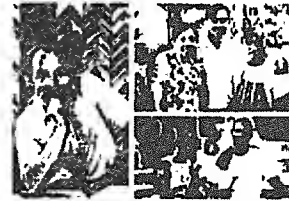
## The Law Makes Health Care More Affordable

**BEFORE**, small businesses paid an average of 18 percent more for health insurance than large companies.

**TODAY**, small businesses can get tax credits to help pay for coverage for their employees.

*"In 2010, we paid close to \$11,000 for employees' health insurance. The tax credit cut our costs by over \$2,000. For a small business struggling to keep health coverage, that makes all the difference. We were actually considering dropping our insurance, but the tax credit tipped the balance and helped us maintain coverage."*

--Matt H. in Montana



The law also provides special relief for small businesses. Small businesses are the engine of the American economy. They create two out of every three jobs. But in the old system, the mom-and-pop shop on the corner paid an average of 18 percent more for the same health coverage as the big chain down the street. That made it hard for small businesses to attract and keep the best employees.

The health care law gives small businesses tax credits to help them afford coverage. Now fewer small businesses have to choose between hiring and health care.




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## The Law Increases Your Access to Affordable Care

Young adults under the age of 26 can now stay on their parents' health plans.

*"I honestly don't know what we would have done.... There was no way we could have afforded it. I might not be here right now."*

*--Kylie L., 23, in Illinois, who credits the health care law for enabling a life-saving heart transplant*



The third key part of the law is a set of improvements that increase your access to affordable care. For years, young adults have had some of the highest rates of being uninsured.

Most young people lost their family coverage when they graduated high school or college and it was often a few years before they got a job that offered good health insurance. That meant that if they had a car accident or an unexpected diagnosis while uninsured, they could go broke or their families could go broke – trying to pay for the care they needed.

Now, under the law, most young adults who can't get coverage through their jobs can stay on their parents' plans until age 26 – a change that has already allowed 2.5 million young adults to get health coverage and given their families peace of mind.

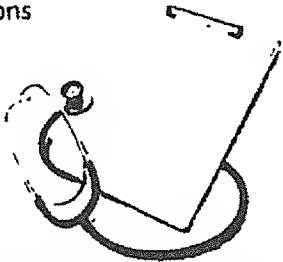
HealthCare.gov

## The Law Increases Your Access to Affordable Care

In many cases, you can get preventive services for free:

- ☒ Cancer screenings such as mammograms & colonoscopies
- ☒ Vaccinations such as flu, mumps & measles
- ☒ Blood pressure screening
- ☒ Cholesterol screening
- ☒ Tobacco cessation counseling and interventions
- ☒ Birth control
- ☒ Depression screening
- ☒ And more...

Visit [www.healthcare.gov/prevention](http://www.healthcare.gov/prevention) for a full list.



The law is also expanding access to preventive care. We know that getting the right preventive care like cancer screenings and vaccines is one of the best ways to stay healthy. But too many Americans went without this care because it often required expensive co-pays. When the choice was \$50 for a mammogram or \$50 for groceries, too many people had to take their chances.

Now, they don't have to make that decision. Thanks to the health care law, the healthy choice is the easy and affordable choice. In new plans, a wide range of recommended preventive services are available for free. That won't just help people stay healthy. It will also help avoid costly hospitalizations that raise insurance costs for all of us.

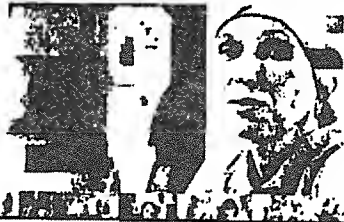
## The Law Increases Your Access to Affordable Care

There are new plans in every state for people who have been locked out of the insurance market because of a pre-existing condition like cancer or heart disease.

*"When I was diagnosed, they told me I had a 60 percent chance of being cured. That's pretty good odds, but I was also terribly worried about finances. Now I don't feel like we can't afford the treatment."*

*--Gail O. in New Hampshire*

For more, visit [www.PCIP.gov](http://www.PCIP.gov).

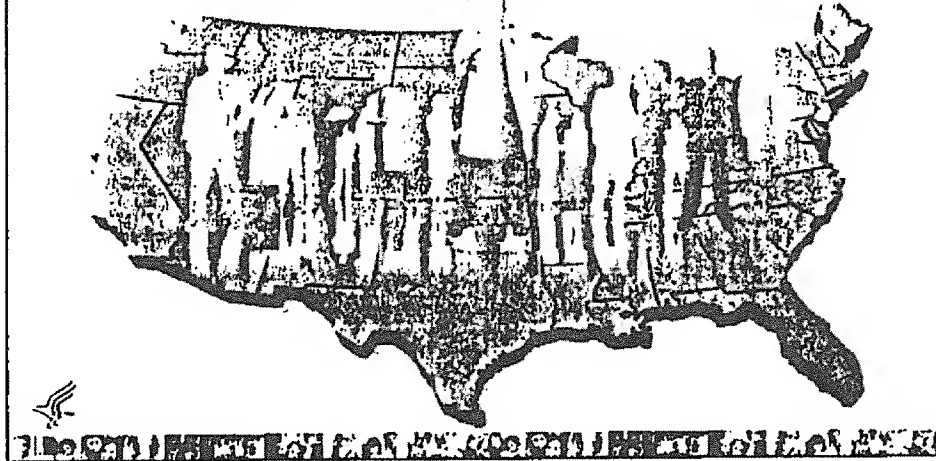


Under the old system, no one got a worse deal than the 129 million Americans with pre-existing conditions. When buying coverage on their own, insurance companies could hike their rates, carve out needed benefits, and, in many cases, lock them out of the insurance market altogether. For people with potentially fatal conditions like cancer, this often meant they couldn't afford the treatments that could save their lives.

The health care law has given Americans who've been locked out of the market for their pre-existing conditions a new coverage option. As a result, tens of thousands of Americans with serious health conditions across the country are now getting the health insurance they need.

## The Law Increases Your Access to Affordable Care

There are thousands of new doctors  
and nurses in communities around the country  
and millions more patients getting care.



But we all know that health insurance wasn't the only obstacle to care. Too often, you'd call up your doctor and hear that the next appointment was in four months. Or you'd only see your doctor for ten minutes because they had to rush on to their next patient.

That's why the health care law also invests in training and placing thousands of new doctors and nurses in communities that need them most, by providing bonus payments to primary care doctors. The law is also creating and expanding health centers across the country. This will help you see and spend more time with your doctor.

## More Improvements to Come

In 2 years:

- Discriminating against anyone because of a pre-existing condition will be illegal.
- Insurance companies won't be able to charge women more than men.
- Tax credits will make buying insurance more affordable.
- There will be new State-based marketplaces – called Affordable Insurance Exchanges – where private insurers will compete for your business. Members of Congress will have to buy insurance there, too.



Each of these improvements helps fill gaps in our health care system. But these changes are just the beginning. In 2014 a new marketplace called an Affordable Insurance Exchange will be created in every state for families and small business owners who buy their own health insurance.

These marketplaces will function like Expedia or Orbitz for health coverage. You'll be able to go to a website and easily compare all your coverage options in one place. And the law includes a few important rules set up to protect you and look out for your best interests as a consumer. No turning people away because of pre-existing conditions. No charging women more just because they're women. There are significant tax credits on a sliding scale for middle class families. There will be better access to Medicaid. And Members of Congress have to get their coverage in the exact same marketplace that you do.

[FOR THE SPEAKER'S REFERENCE:

*Medicaid is expanded up to 133% of the federal poverty level – about \$15,000 for an individual or \$30,000 for a family of 4.*

*Tax credits are available for those under 400% of the federal poverty level who are not eligible for other affordable coverage – about \$45,000 for an individual or \$90,000 for a family of 4.]*

So no matter your circumstances...

If you start a new business, change jobs, move  
to another state, or retire early...

You'll have access to affordable health insurance.



What this means at the end of the day is that for the first time in American history, no matter what your situation is – whether you lose your job or your job doesn't offer coverage or you start a business or you retire early – you'll be able to get affordable health insurance.



## The Law Strengthens Medicare

- Many free preventive services such as mammograms and colonoscopies and a free annual wellness visit.
- A 50% discount on covered brand-name medications for those in the prescription drug donut hole – an average savings of nearly \$600 per person in 2011. The donut hole will be closed in 2020.
- Strong anti-fraud measures, including tougher penalties for criminals.
- Makes sure your doctors can spend more time with you and improve care coordination – just like they do at hospitals such as the Mayo Clinic and Cleveland Clinic.



One group of Americans that already has dependable health coverage is seniors. Nearly 50 million older Americans and Americans with disabilities rely on Medicare each year, and as we get older, most of us will eventually be covered by Medicare if we're not already.

The fourth key way the health care law helps Americans is by making Medicare stronger.

First, it makes many key preventive services available with no co-pay or deductible to help ensure seniors don't have to skip a potentially life-saving cancer screening because they can't afford it.

Second, it gives beneficiaries in the donut hole a 50 percent discount on their covered brand-name medications. In the past, as many as one in four seniors went without a prescription every year because they couldn't afford it. Now, the seniors with the highest prescription drug costs are getting an average of nearly \$600 in relief, and the law will close the donut hole by 2020.

Third, the law provides a historic boost to efforts to crack down on Medicare fraud. In 2010, those efforts returned a record \$4 billion, and the law gives law enforcement even more tools to go after those who steal from Medicare.

Fourth, the law contains changes that will make it easier for doctors to deliver the care that works best for you. We know that a person with Medicare who has multiple chronic conditions may see as many as 14 doctors in a year. We also know that the best health systems like the Mayo Clinic take better care of these patients by having doctors spend more time with them, focus on prevention, and work closely together to coordinate care. The law will help more hospitals deliver that kind of care to their patients.

And since the law passed, Medicare costs have actually been going down. This year [2012], average premiums for Part D and Medicare Advantage plans will be lower than they were in 2011. And Part B premiums will go up far less than was predicted. What this means for seniors overall is a stronger Medicare program that better meets their needs.

### Did You Know...

- The law builds on our private health insurance system.
- The law gives states significant flexibility in implementing the law. If states can identify their own path to accomplish the same goals, they're free to take it.
- The law does not add to the deficit. According to the independent Congressional Budget Office, the law is paid for.



This is a law that will benefit all Americans, whether you're young or old, whether you have insurance through your job, insurance through a government program like Medicare, or no insurance at all. What it means simply is that the health insurance market that worked so well for big insurance companies over the years is going to start working better for you.

As you think and talk about the law, there are a few additional key points to keep in mind.

First, this law is not a radical overhaul. It makes improvements to the private health insurance system we already have.

Second, the law gives States significant flexibility. They're in charge of most of the implementation. And the law specifically says that if States can find their own way to accomplish the same goals, they're free to pursue it.

Third the law does not add a dime to the deficit. According to Congress' official independent scorekeeper, the Congressional Budget Office, the law is completely paid for through a wide range of cost-saving reforms, from cracking down on health care fraud to helping hospitals and doctors spend their health dollars more wisely.

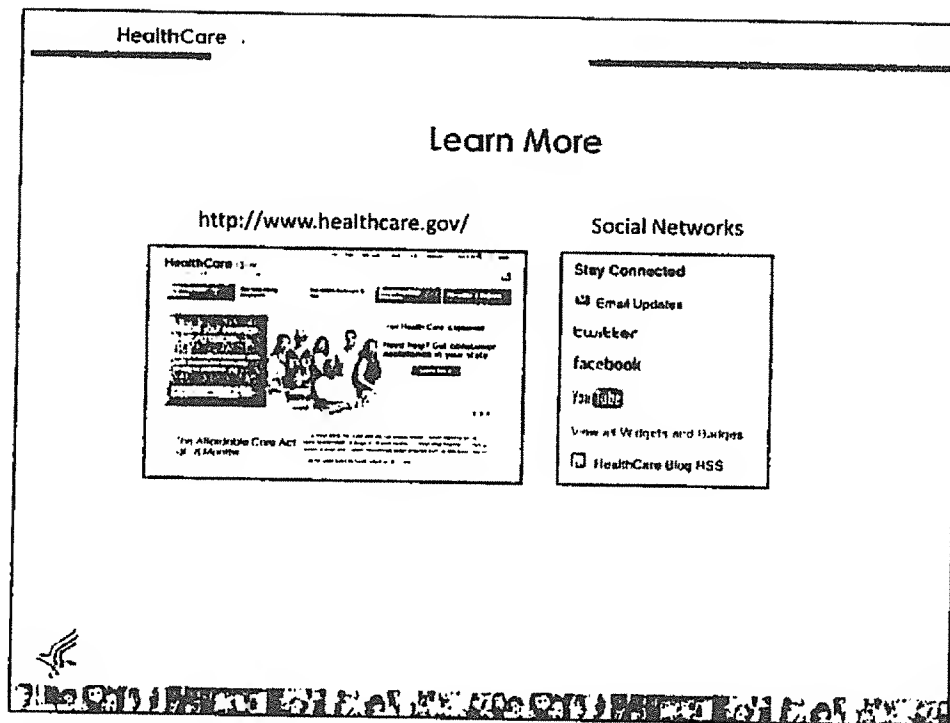
### 4 Things to Remember About the Law

- Protection from the worst insurance company abuses
- Makes health care more affordable
- Better access to care
- Stronger Medicare



And as you think and talk about the law, you should also remember the four key benefits for you and your family:

The health care law protects you from the worst insurance company abuses. It drives down costs. It gives you better access to affordable care. And it strengthens Medicare.



The health care law is a work in progress. But it has already made huge improvements that over time will touch every American family in some way.

To learn more about the law and any of the new benefits I mentioned, please go to [healthcare.gov](http://healthcare.gov). You'll find information and plenty of resources you can share with your friends and family.

Thank you.